

V.J. ST. PIERRE, JR.  
PARISH PRESIDENT

MONIQUE GRANIER, OHST, CRM, CIC, CWCP  
RISK MANAGER

# ST. CHARLES PARISH

## RISK MANAGEMENT OFFICE

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### MEMORANDUM

**TO:** V.J. St. Pierre, Jr., Parish President

**FROM:** Monique Granier, OHST, CRM, CIC  
Risk Management Officer

**RE:** 2014 Risk Management Office Annual Report

**Continued Risk Management Office Accomplishments:**

**"Risk Management is the practice of protecting an organization from financial harm by identifying, analyzing, and controlling risk at the lowest possible cost."**

Risk Management is an ongoing process of identifying exposures, measuring them against the Parish's loss withstanding capabilities, and the handling of risk with appropriate control, transfer and financing techniques.

The Risk Management Office success is accomplished by a team effort in working with all other departments and support from the Administration. The Risk Management Team successfully mitigates claims immediately and proactively by having at least one person on call 24/7 for 365 days a year.

**I. GENERAL LIABILITY & AUTO LIABILITY INSURABLE CLAIMS:**

- The Parish currently has an SIR (Self Insured Retention) or a deductible, if you will, of \$150,000 per occurrence with NO STOP LOSS. All claim costings in excess of the SIR means the insurance company pays this portion up to the policy limit.
- The Parish now has a flat fee payment for bodily injury claims handled by our 3<sup>rd</sup> Party TPA per the insurance contract.
- The Parish has filed 13 insurable claims for 2014 to date.
- The current policy period is 05/01/14 – 05/01/15 therefore;
  - **The annual report is due five months prior to the policy period ending.**
  - **The final number of claims and overall costs WILL increase.**
  - **The Parish has a significantly higher Self Insured Retention of a \$150,000.00 per occurrence with no stop loss.**

- The annual report cannot reflect the potential lawsuits that maybe filed in 2015 for the 2014 policy period (claimants have one year after incident to file a lawsuit).
- 2013 Policy Period total is roughly \$251,433.00 with one claim costing the Parish the full \$150,000 SIR.
- Of the 13 insurable claims made for the 2014 policy period: currently total \$46,104.93 – this figure will increase because 5 months left in the policy period.
  - Of the 13 insurable general liability/auto claims, 2 were denied for bodily injury by our 3<sup>rd</sup> party TPA and awaiting to see if suit is filed or prescription date for suit runs out.
  - Three other claims are open, but are expected to close by early 2015.
- Prior to my tenure in 2000, the SIR paid an average of \$350,000 per policy year in claims. The Risk Management Department since 2000 has kept the frequency and severity of claims below this amount with few exceptions.

## II. PROPERTY INSURANCE CLAIMS:

- The Parish deductible for property damage claims is \$50,000 SIR (per occurrence and/or per claim) with named storms having a much higher deductible.
- The Property Policy Period for 2014 is from 4/1/2014 to 4/1/2015 meaning there are three months left in the policy.
- Since my tenure in 2000, the Parish only exceeded the \$100,000 property deductible (3) times: Courthouse (Hurricane Katrina) and East & West Bank Waterworks intake structure damages (hit from unidentified ships in River).
- The Parish has to date (1) property claims all below the \$50,000 deductible for a total of \$24,500.00 with three months remaining in policy period. Through various inspection programs implemented has drastically dropped the number of property claims.
- The Risk Management department continues adds new buildings to the property list to include an “in house” appraisal to determine insurable values using a nationally recognized appraisal system by Marshal and Swift.
  - The appraisals completed in house saves the Parish tens of thousands of dollars and consists of a professional property appraisal file.
  - All Building Appraisals were updated in 2014 and are updated every two years to assure the Parish has the proper insurable values.

### III. IN HOUSE LOSS FUND CLAIMS:

The in-house losses consist of claims for \$1,600 or less, and includes up to a \$20,000 deductible for auto physical damage (first party damage to our own vehicles). All Parish Departments pay into the in-house loss fund annually to pay for "expected Losses" related to our general operations of Parish Government. Expected losses are known as, "the losses we expect to pay annually for minor damages and settlements in the cost of doing business," and by absorbing this cost within the Parish budget, avoids insurance premium increases.

- In-House Loss Fund claims are typically theft/vandalism, broken glass to our own vehicles as well as others, private mailboxes, Parish equipment damage, and damage done to others by the Parish.
- In 2014, (6<sup>th</sup> month of 12 month policy period), the Parish had 141 in house loss fund claims at a cost of \$37,000.00.
- In 2013, (6<sup>th</sup> months of 12 month policy period), the Parish had a total of 116 in house loss fund claims at a cost of \$29,790.76.
- In 2012, the Risk Management Office handled 143 in house losses at a cost of roughly \$45,325.00

### IV. WORKER'S COMPENSATION CLAIMS:

The Parish continues to have CCMSI (Cannon Cockran Management Services Incorporated) as our Worker's Compensation Administrator. This policy coverage and follows the calendar year as it is from 1/2013 – 12/31/2014.

**Risk Management directs and facilitates all Worker's Compensation claims and all staff are Certified Worker's Compensation Professional by L.A.S.I.E. (Louisiana Association of Self Employers).**

- In 2014, the Parish had 54 claims at a cost of \$266,130.00 that included two serious employee injuries whereby both required medical surgeries that accounted for \$100,000 of the total cost.
- **The Parish Worker's Compensation Premium for 2015 WAS REDUCED BY \$400,000 BASED OFF 2014 SUCCESS AND THIS SINGLE SAVINGS ALONE PAYS FOR THE ENTIRE RISK MANAGEMENT SALARIES AND BUDGET!!!**
- The Parish Worker's Compensation Premium was reduced by \$200,000 for the 2014 policy year based off last year's success!
- In 2013, the Parish had 49 claims net incurred (total paid + outstanding reserves) = 82,444.92. \* **Lowest year since 2008.**
- In 2012, the Parish had 79 claims net incurred (total paid + outstanding reserves) = \$182,448.90.

\*Note: Work Comp claims do not fully mature until five years out meaning the claims costs may increase.

St. Charles Parish purchases Worker's Compensation Insurance under a "SIPP" known as a Loss Sensitive Incentive Premium Program whereby the Parish has the potential to receive safety incentives based off our performance.

## V. OTHER DUTIES:

- The Risk Management Office is responsible for having all trees that are requested to be cut down on Public Property and In house Departments reviewed to assure that the tree is legally on Parish servitude prior to writing a work order for the tree removal. Risk Management works with the LSU County Agent to determine the healthiness of trees in some cases.
- The Risk Management Office also investigates countless residential complaints, complaints of employee wrong doing, public safety concerns, Employee safety related complaints, employee accidents, injuries, internal theft, external theft and vandalism and assures someone responds twenty four hours a day, three hundred and sixty five days a year.
- Review of the Department of Motor Vehicles Records for 350 Parish drivers twice annually.
- Conducts Streets/Road Inspection year round
- Inspects Wastewater Oxidation Pond for DEQ annually
- Park and Playground Inspections
- Risk Management spends 80% of field time with Public Works, 10 % Wastewater, and 10% Recreation Department as the losses and injuries dictate.

## VI. LITIGATION MANAGEMENT:

- The continued practice of active Risk Management in all actual and potential claims along with support from all Departments and the Administration continues to minimize litigation against the Parish.
- Risk Management is involved in only **insurable** law suits.
- Risk Management works closely with our 3<sup>rd</sup> party TPA Gallagher Bassett investigating and putting together a defense strategy for claims we see are headed for a lawsuit.
- The Parish currently has four open insurable lawsuits that Risk Management and other Parish Departments are working closely with the Attorney representing St. Charles Parish.
  - Suit from 2010 involves a bodily injury on the spillway road. The suit is still open with court dates for trial scheduled in 2015.
  - Suit from 2011 involves a bodily injury on a catch basin whereby the Parish has spent \$29,344.45 of the \$50,000 SIR on legal defense. The suit is still open and trial date is set for 2015.
  - Suit from 2012 involves Officer's Liability whereby the Parish has spent \$28,000 of our \$50,000 SIR deductible on legal defense.
  - Suite from 2013 involves an auto accident with a Parish vehicle that is expected to settle in early 2015 below the Self Insured Retention.

## **VII. RELATED ACTIVITIES:**

- Risk Management facilitated two separate Training Courses on Work Zone Traffic Control based on MUTCD (Manual on Uniform Traffic Control Devices) for Public Works, Waterworks, and Wastewater.
- Risk Management sends out five safety meeting topics a month on a variety of related topics for Public Works, Waterworks, Recreation, Government Buildings, Wastewater and Animal Control.
- Training for all Courthouse Employees from all Agencies to include evacuation, bomb threats, power outages, etc.
- Risk Management continues to participate on the Courthouse Security Committee on a monthly basis.
- Risk Management provided OSHA LEAD and ASBESTOS training to employees from the Public Works due to the Sunset Drainage Contractor work.
- Risk Management has issued formal Insurance Requirements for Vendors and reviewed the requirements for insurance under formal contracts.
- Risk Management conducted formal Worker's Compensation Training to all St. Charles Parish Library employees.

## **VII. Risk Management Office provides ongoing consultation and recommendations to the Administration, Department Heads, Assistant Directors, etc. regarding:**

- Workplace Safety and Health
- Environmental (HBV, DEQ)
- Formal Written Reports to the Parish President
- Loss Control/ Loss Prevention - Liability
- Parish Contracts for hold harmless/indemnity agreements and insurance reviews for Parish contracts
- Public Works Streets and Roads Conditions and Park Inspections Reports to Department Heads for corrective action.
- Continued work with disaster drills to include homeland security, nuclear accident, hurricanes, chemical releases, etc.

## **VIII. RISK MANAGEMENT TRAINING/CERTIFICATION**

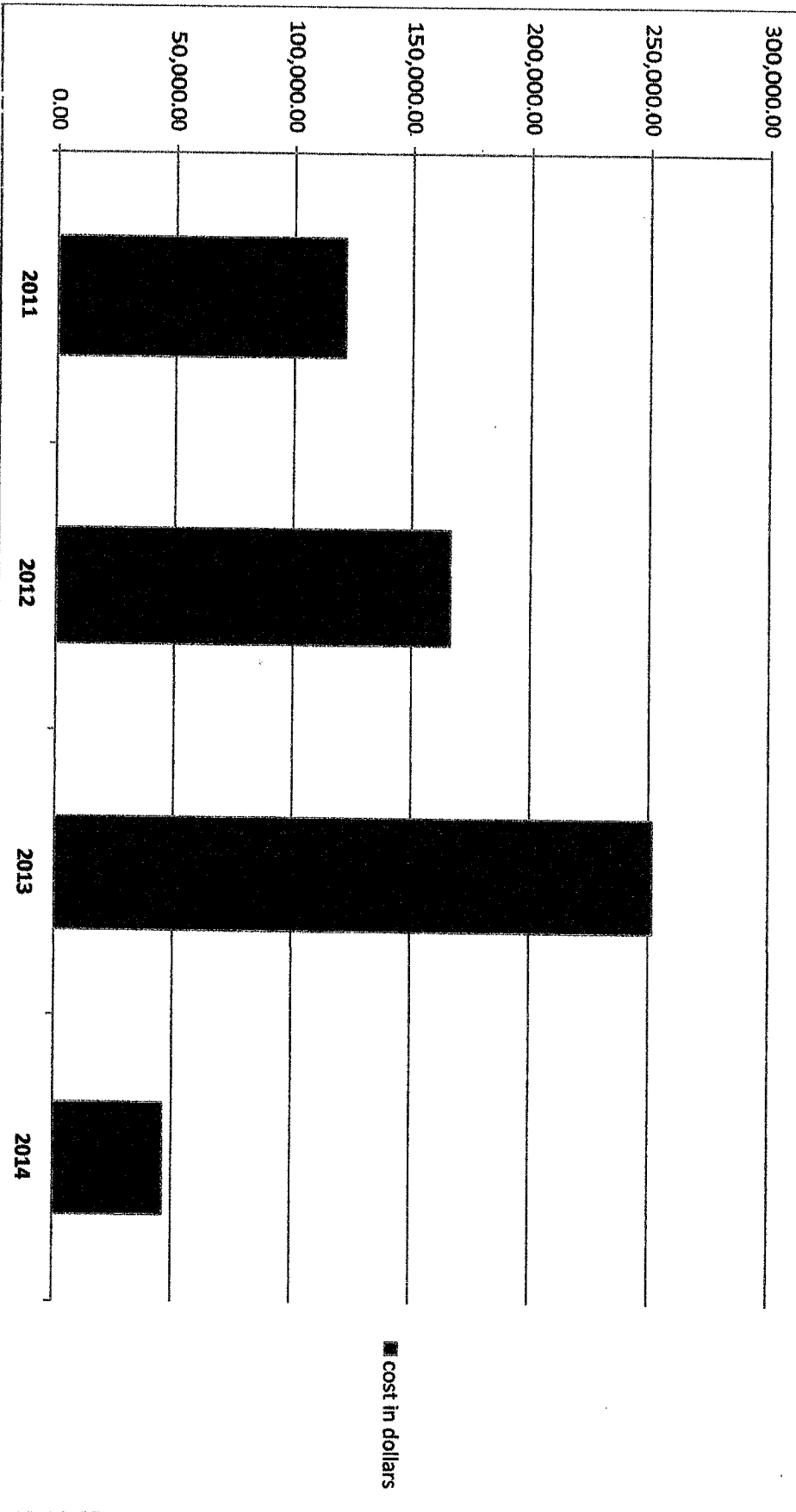
- Risk Management Officer has 21 years of experience in Government Entity Risk with a degree in Occupational Safety and Health and maintains four separate professional certifications whereby each requires mandatory continuing education annually to include:
  1. **OHST** (Occupational Health & Safety Technologist) by the board of certified safety professionals
  2. **CRM** (Certified Risk Manager) by the National Alliance for Insurance
  3. **CIC** (Certified Insurance Counselor) by the National Alliance for Insurance.
  4. **CWCP** (Certified Worker's Compensation Professional
- Assistant Risk Managers Rechell Champagne has (3) professional certifications:
  1. **COSS** (Certified Occupational Safety Specialist by The National Safety Council)

2. **COSM** (Certified Occupational Safety Management)
  3. **CWCP** (Certified Worker's Compensation Professional)
- Assistant Risk Manager Murray Dufrene in one year of working in Risk Management has achieved (1) Professional Designation as a **CWCP** (Certified Worker's Compensation Professional)
  - The professional Designations and ongoing training keeps our safety and risk management programs effective and strong with continued ways to improve and contain losses.

**Ultimate Conclusion:**

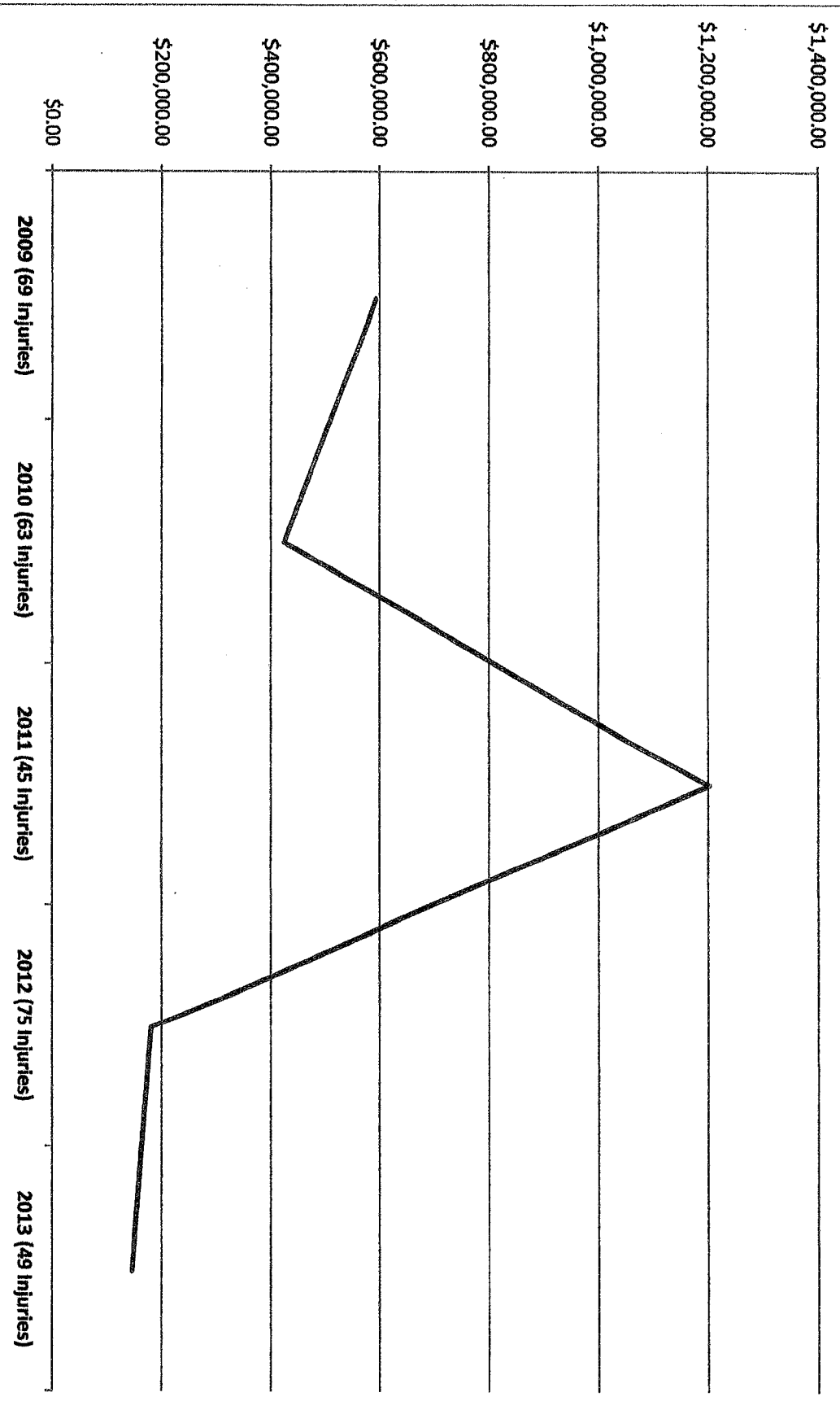
- Risk Management within all aspects of Parish Operations strives for improvement in minimizing, preventing, controlling, and/or avoiding liability to the Parish that translates to bottom line savings of hundreds of thousands of dollars.

## Total Cost of General & Auto Liability



In 2013 - One claim was in excess of \$150,000

## Workers Comp - Total Cost



2011 - Parish suffered 1 catastrophic injury